

Message Text

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64

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SPC-03 SAM-01 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-03 DODE-00 PA-04 USIA-15 PRS-01

DRC-01 /170 W

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R 081534Z FEB 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 1543

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

LIMITED OFFICIAL USE VIENNA 1133

E.O. 11652: N/A

TAGS: EFIN, AU

SUBJECT: GOA TO BORROW \$150 MILLION ABROAD

DEPT PASS TREASURY AND FRB

REF: VIENNA A-56, 1/31/74

1. FINANCE MINISTRY SOURCES UNOFFICIALLY CONFIRMED
RECENT PRESS REPORTS ON GOA PLANS SHORTLY TO RAISE EQUIVALENT
OF UP TO \$150 MILLION IN FOREIGN CREDITS AND LOANS
TO OVERCOME GOA SHORTAGE OF LIQUID FUNDS,
TRADITIONAL FOR EARLY PART OF FISCAL YEAR. PORTION
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OF FUNDS MIGHT BE RAISED DIRECTLY ON US MARKET.

RESULTANT CAPITAL INFLOW MIGHT HELP TO PARTIALLY CLOSE
WIDENING BALANCE OF PAYMENTS GAP CAUSED BY HIGHER OIL
PRICES. SIMULTANEOUSLY, CAPITAL IMPORT WILL EASE
BANKS' TIGHT LIQUIDITY SITUATION, AND THUS IMPROVE
CONDITION OF CURRENTLY STAGNATING DOMESTIC CAPITAL
MARKET.

2. PLANS REPORTEDLY PROVIDE FOR PRIVATE PLACEMENT
OF A \$115 MILLION EURO-DOLLAR CREDIT TO BE TAKEN UP
FOR AN INITIAL PERIOD OF THREE OR SIX MONTHS, AND
TO BE ROLLED OVER FOR SEVERAL YEARS WITH REPAYMENT TO
BE COMPLETED AFTER SEVEN YEARS. INITIAL COST TO BE
DETERMINED ON THE BASIS OF INTERBANK RATE QUOTED IN
LONDON TWO DAYS PRIOR TO PLACEMENT, PLUS PREMIUM CHARGES.
PLACEMENT TO BE ENTRUSTED TO INTERNATIONAL CONSORTIUM
HEADED BY CHASE MANHATTAN, FRANKFURT, AND COMPRISING
BANQUE EUROPEENE DE CREDIT, BRUSSELS; BANQUE DES
SOCIETE' FINANCIERES EUROPEENS, PARIS; SEVERAL OTHER
EUROPEAN BANKS; AS WELL AS CREDITANSTALT, OESTERREICHISCHE
LAENDERBANK, AND GIROZENTRALE, VIENNA.

3. THE REMAINDER OF \$35 MILLION EQUIVALENT MIGHT BE
FLOATED PUBLICLY IN THE FORM OF LONG TERM BONDS,
POSSIBLY DIRECTLY ON THE US MARKET. DECISION ON THE
LATTER TO BE MADE BY THE FINANCE MINISTER NEXT WEEK.
HUMES

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Message Attributes

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30 JUN 2005

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